

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE APPLICATION OF PARKSVILLE WATER)	
DISTRICT FOR A RATE ADJUSTMENT PURSUANT)	CASE NO.
TO THE ALTERNATIVE RATE FILING PROCEDURE)	90-251
FOR SMALL UTILITIES)	

O R D E R

On August 27, 1990, the Parksville Water District ("Parksville") filed an application with the Commission seeking to increase its rates pursuant to the Alternative Rate Filing Procedure for Small Utilities. Parksville proposed to increase its annual operating revenues by \$50,000, an increase of 27.4 percent over test-period revenues from rates of \$182,493.

In October of 1990, Commission Staff conducted a field review of Parksville's test-year financial records. Based upon this review, Commission Staff issued its report on January 16, 1991, recommending that Parksville be authorized to increase its annual revenues by \$22,366. By letter dated January 29, 1991, the Commission advised Parksville that comments on the Staff Report and/or a request for a public hearing must be filed no later than February 13, 1991, or this case would stand submitted to the Commission for decision.

On January 28, 1991, Parksville notified the Commission by letter that it intended to place its proposed rates into effect,

subject to refund, on February 18, 1991. By Order dated February 15, 1991, the Commission found that Parksville was entitled pursuant to KRS 278.190 to place its proposed rates into effect, and ordered Parksville to maintain its records in such manner as to allow a determination of any amount to be refunded.

On February 8, 1991, Parksville filed a motion for an extension of time in which to respond to the Staff Report. The Commission denied Parksville's request for additional time by Order dated February 15, 1991, finding that the extension would be inappropriate inasmuch as Parksville intended to place its proposed rates into effect prior to a final resolution of this proceeding. As of the date of this Order, no comments on the Staff Report have been filed by Parksville, nor has Parksville requested a hearing.

The Commission, having considered the evidence of record and being otherwise sufficiently advised, finds that:

1. The recommendations and findings contained in the Staff Report are supported by the evidence of record, are reasonable, and are hereby adopted as the findings of the Commission in this proceeding and are incorporated by reference as if fully set out herein.

2. The rates in Appendix A, attached hereto and incorporated herein, are the fair, just, and reasonable rates for service provided by Parksville and will produce annual revenues of \$204,859. These rates will allow Parksville sufficient revenues to meet its operating expenses and provide for future equity growth.

3. The rates proposed by Parksville in its application will produce revenue increases which are unreasonable and thus inconsistent with KRS 278.030.

IT IS THEREFORE ORDERED that:

1. The rates proposed by Parksville in its application are hereby denied.

2. The rates contained in Appendix A are approved for service rendered by Parksville on and after the date of this Order.

3. Within 30 days of the date of this Order, Parksville shall file with the Commission its revised tariff setting out the rates approved herein.

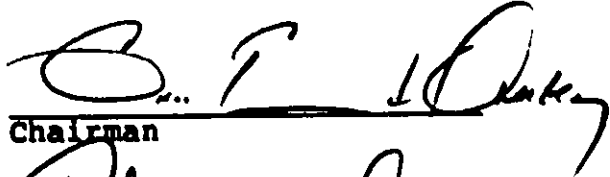
4. Parksville shall refund to its customers the revenues collected in excess of the rates approved in this Order, plus interest at a rate of 7.91 percent, the average of the 3-month commercial paper rates for November 1990.

5. The refund shall be made by either direct payment or bill credit and shall be made within 60 days of the date of this Order.

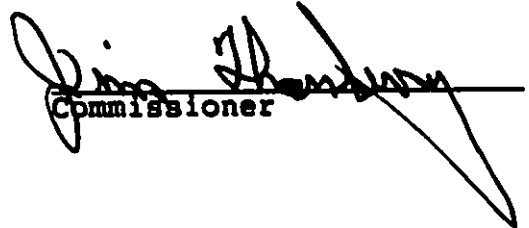
6. Within 30 days of the date the refund is completed, Parksville shall file with the Commission a summary statement showing a reconciliation of customer billings and the amount refunded.

Done at Frankfort, Kentucky, this 6th day of March, 1991.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:



Executive Director

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 90-251 DATED 3/06/91

The following rates and charges are prescribed for water service to customers of the Parksville Water District. All other rates and charges not specifically set forth herein shall remain the same as those in effect under authority of the Commission prior to the effective date of this Order.

Monthly Rates

5/8" Meters

First	1,000 gallons	\$ 8.90 (Minimum Bill)
Next	4,000 gallons	3.05 per 1,000 gallons
Next	5,000 gallons	2.85 per 1,000 gallons
Over	10,000 gallons	2.65 per 1,000 gallons

1" Meters

First	5,000 gallons	\$ 21.10 (Minimum Bill)
Next	5,000 gallons	2.85 per 1,000 gallons
Over	10,000 gallons	2.65 per 1,000 gallons